

Chapter 7

Arrears, default and recovery (including repossessions)



7.2 Clear effective and appropriate arrears policies and procedures

Arrears policies

7.2.1 **R** A *firm* must establish and implement clear, effective and appropriate policies and procedures for:

(1) dealing with *customers* whose accounts fall into arrears;

[Note: paragraph 7.2 of *ILG*]

(2) the fair and appropriate treatment of *customers*, who the *firm* understands or reasonably suspects to be particularly vulnerable.

[Note: paragraphs 7.2 and 7.2(box) of *ILG* and 2.2 (box) of *DCG*]

7.2.2 **G** *Customers* who have mental health difficulties or mental capacity limitations may fall into the category of particularly vulnerable *customers*.

[Note: paragraph 2.2 (box) of *DCG*]

7.2.3 **G** In developing procedures and policies for dealing with *customers* who may not have the mental capacity to make financial decisions, *firms* may wish to have regard to the principles outlined in the Money Advice Liaison Group (MALG) Guidelines "Good Practice Awareness Guidelines for Consumers with Mental Health Problems and Debt".

[Note: paragraph 3.7r (box) of *DCG*]